

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Mark Acton, Vice Chairman;  
Nanci E. Langley; and  
Robert G. Taub

Rodney, IA Post Office  
Rodney, Iowa

Docket No. A2011-27

ORDER AFFIRMING DETERMINATION

(Issued November 9, 2011)

I. INTRODUCTION

On July 21, 2011, the Postal Regulatory Commission received a letter from Zella Thomas, Mayor, City of Rodney (Petitioner) seeking review of the Postal Service's determination to close the Rodney, Iowa post office (Rodney post office).<sup>1</sup> The Petition was postmarked July 13, 2011. After review of the record in this proceeding, the Commission affirms the Final Determination to close the Rodney post office.

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<sup>1</sup> Petition for Review Received from the Honorable Zella Thomas, Mayor Regarding the Rodney, Post Office 51051, July 21, 2011. (Petition)

## II. PROCEDURAL HISTORY

In Order No. 769 (July 22, 2011), the Commission established Docket No. A2011-27 to consider the appeal, designated a Public Representative, and directed the Postal Service to file the Administrative Record or otherwise file a pleading responsive to the appeal.<sup>2</sup>

On August 5, 2011, the Postal Service filed the Administrative Record with the Commission.<sup>3</sup> The Postal Service also filed comments requesting that the determination to close the Rodney post office be affirmed.<sup>4</sup> The Public Representative filed comments on October 25, 2011.<sup>5</sup> Petitioner did not file any documents other than her petition for review. There were no interventions.

## III. BACKGROUND

The Rodney post office, classified as level EAS-53, provides window service 24 hours a week from 8:30 a.m. to 1:00 p.m., Monday through Friday, and 10:00 a.m. to 11:30 a.m. on Saturday. In addition to providing retail services, *e.g.*, sale of stamps, stamped paper, and money orders, it provides service to 20 post office box customers. Final Determination at 2.

The Rodney post office averages four transactions amounting to four minutes of workload per day. Revenue over the last 3 years was \$3,976 in FY 2008; \$7,741 in FY 2009; and \$3,579 in FY2010. *Id.*

The Postal Service has made a decision to close the Rodney post office and provide retail services and rural route delivery administered by the Smithland post office. Post office box and retail services are available at the Smithland post office from

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<sup>2</sup> Notice and Order Accepting Appeal and Establishing Procedural Schedule, July 22, 2011 (Order No. 769).

<sup>3</sup> The Administrative Record is attached to United States Postal Service Notice of Filing, August 5, 2011 (Administrative Record).

<sup>4</sup> United States Postal Service Comments Regarding Appeal, September 14, 2011 (Postal Service Comments).

<sup>5</sup> Comments of the Public Representative, October 25, 2011 (PR Comments).

7:00 a.m. to 4:30 p.m., Monday through Friday, and 7:00a.m. to 9:00 a.m. on Saturday. *Id.*

The Postal Service will continue to use the Rodney name and ZIP Code. *Id.* at 5, Concern No. 4.

On April 28, 1993, the Rodney postmaster retired. The Smithland postmaster relief is serving as the officer-in-charge (OIC) of the Rodney post office. Administrative Record, Item No. 15.

On February 1, 2011, the Postal Service distributed questionnaires to post office box customers regarding the possible change in service at the Rodney post office. Additional questionnaires were available over the counter to walk-in customers. A total of 50 questionnaires were distributed and 18 were returned. *Id.* Item No. 23. On February 15, 2011, the Postal Service held a community meeting in Rodney to address customer concerns. Sixteen residents attended. *Id.* Item No. 24.

#### IV. PARTICIPANT PLEADINGS

*Petitioner.* Petitioner states that she is appealing the closure of the Rodney post office because the postmaster position has been vacant since 1993. She also states that the residents of Rodney do not want the post office to close.

*Postal Service.* The Postal Service argues that the Commission should affirm the determination to discontinue the Rodney post office. Postal Service Comments at 2. The Postal Service maintains that it has followed the closing procedures of 39 U.S.C. § 404(d) and carefully considered the required factors of section 404(d)(2) in making its determination. *Id.* at 3.

The Postal Service states that its decision to close the Rodney post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload generating low and declining revenue;
- the variety of delivery and retail options available;

- minimal impact upon the community;
- minimal recent growth in the area; and
- expected financial savings.

*Id.* at 4. The Postal Service asserts that it has addressed each of the concerns raised by Petitioner and that it has satisfied the requirements of 39 U.S.C. § 404(d).

*Public Representative.* The Public Representative questions whether closing the Rodney post office will yield any savings to the Postal Service. PR Comments at 6. She also states that the citizens of Rodney will receive regular and effective postal services through rural route carrier delivery and retail service provided by the Smithland post office. She recommends that the Final Determination be affirmed. *Id.* a 7.

## V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be: (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

#### A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

Notice of the Postal Service's proposal to close the Rodney post office and provide rural route service was posted at the Rodney and Smithland post offices from March 17, 2011, through May 18, 2011. Administrative Record, Item No. 36, at 1, 3. At the same time, the Postal Service posted an invitation for customers to comment on the Proposal. *Id.* at 2, 4. The Postal Service received no comments during the 60-day posting period. *Id.* Item No. 38. The Final Determination to close the Rodney post office was posted at the same two post offices from June 20, 2011, through July 22, 2011. Administrative Record at .pdf version pages 129-30.

Based on review of the record, the Commission finds that the Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

#### B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A). Also, section 101(b) prohibits the Postal Service from closing any small post office solely for operating at a deficit.

*Effect on the community.* Rodney is an incorporated community located in Monona County, Iowa. The Monona County Sheriff's Department provides police protection. The community is administered politically by a mayor and council form of government. Fire protection is provided by the Smithland Fire Department. The questionnaires completed by Rodney customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Rodney must travel elsewhere for other supplies and services. Postal Service Comments at 8.

.As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. As part of its investigation, on February 1, 2011, the Postal Service distributed questionnaires to post office box customers regarding the possible change in service at the Rodney post office. Additional questionnaires were available over the counter to retail customers. A total of 50 questionnaires were distributed and 18 were returned. Administrative Record, Item No. 23.

On February 15, 2011, the Postal Service held a community meeting in Rodney to address customer concerns. Sixteen residents attended. *Id.* Item No. 24.

Petitioner bases her appeal on the failure of the Postal Service to appoint a postmaster for the Rodney post office. In addition, she states that the residents of Rodney do not want the post office to close. Petition at 1.

In response to concerns expressed by customers about the loss of community identity, the Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name, and that the Postal Service is helping to preserve community identity by continuing the use of Rodney, IA 51051, in addresses. Final Determination at 5. In response to concerns expressed by customers about the loss of a bulletin board and the loss of a community meeting place, the Postal Service noted that customers may continue to meet informally, socialize, and share information at the other businesses, churches, and residences in town. Final Determination at 5; Administrative Record, Item Nos. 23, 33. In addition, nonpostal services provided by the Rodney post office can be provided by the Smithland post

office. Government forms usually provided by the post office are also available by contacting local government agencies. Postal Service Comments at 8.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the community. 39 U.S.C. § 404(d)(2)(A)(i).

*Effective and regular postal service.* Customers raised various concerns about the effect on postal services of the Rodney post office's closing. Among the concerns raised were mail security and the impact on senior citizens. The Postal Service considered the effect of closing of the Rodney post office on mail security. The Postal Service explained that if the decision is made to have customers install their own box, customers may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume. The Postal Service is also considering the installation of cluster box units, which provide the security of individually locked mail compartments. Final Determination at 2; Administrative Record, Item No. 23, at 23a; *id.* Item No. 33, at 2.

The Postal Service considered the impact of the closing of the Rodney post office on senior citizens. Services provided at the Rodney post office will be available from the carrier. The carrier can provide delivery and retail service to roadside mailboxes or cluster box units. Customers do not have to make a special trip to the post office for service. Special provisions are made for hardship cases or special customer needs. Final Determination at 2-3; Administrative Record, Item No. 23, at 23a; *id.* Item No. 25; *id.* Item No. 33, at 2-3.

The Public Representative concludes that the Postal Service can continue to provide regular and effective postal services to the Rodney, Iowa community. PR Comments at 7.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has considered its ability to provide a maximum degree of effective and regular service. 39 U.S.C. § 404(d)(2)(A)(iii).

*Economic savings.* The Postal Service estimates total annual savings of \$19,370. It derives this figure by summing the following costs: postmaster salary and benefits \$20,492; and annual lease costs \$1,500, minus the cost of replacement service \$2,622. Final Determination at 6.

The Public Representative suggests that there will be no reduction in salary or benefits if the current OIC remains employed by the Postal Service. PR Comments at 6. The Commission has stated on numerous occasions that the Postal Service should not compute savings based on compensation costs that are not eliminated by the discontinuance of a post office.<sup>6</sup> That does not appear to have happened in this instance.

The Rodney postmaster retired in April 1993. Final Determination at 2, 6; see *also* Administrative Record, Item No. 44. Since that time, the post office has been run by a temporary OIC, who, upon the discontinuance of the Rodney post office, will return to her primary position at the Smithland post office and may be reassigned to another OIC position if an opening exists and if she is qualified for the position. Administrative Record at .pdf version page 72; Final Determination at 2; Administrative Record, Item No. 44. By closing the Rodney post office, the Postal Service avoids having to appoint a new postmaster and does not incur the salary and benefits of a postmaster. If the current non-career OIC remains employed by the Postal Service, there is no change in costs. If that employee is separated, there would be additional savings that are not reflected in the Postal Service's estimate.

The Commission finds that the Postal Service has considered economic savings.

*Effect on employees.* Petitioner raises the issue of the effect of the closing of the Rodney post office on postal employees. The impact on postal employees appears to be minimal. The postmaster retired on April 28, 1993. An individual was installed as the temporary OIC. That individual will return to her primary position in Smithland or

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<sup>6</sup> See, e.g., Docket No. A2011-16, Order No. 843, Order Affirming Determination, September 8, 2011; Docket No. A2011-18, Order No. 865, Order Affirming Determination, September 20, 2011; Docket No. A2011-19, Order No. 912, Order Affirming Determination, October 20, 2011; Docket No. N2009-1, Advisory Opinion Concerning the Process for Evaluating Closing Stations and Branches, March 10, 2010.



may be reassigned. The record shows that no other Postal Service employee would be affected by this closing. Final Determination at 5; Administrative Record, Item Nos. 18, 23, 33.

Upon review of the record in this proceeding, the Commission concludes that the Postal Service has satisfied the requirement that it consider the effect of closing on the employees at the Rodney post office. 39 U.S.C. § 404(d)(2)(A)(ii).

## VI. CONCLUSION

Based on the review of the record, the Commission concludes that the Postal Service has met the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Rodney, IA post office is affirmed.

By the Commission.

Shoshana M. Grove  
Secretary